VZCZCXRO7908 OO RUEHFK RUEHKSO RUEHNH DE RUEHKO #0967/01 0660719 ZNY CCCCC ZZH O 070719Z MAR 07 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC IMMEDIATE 1327 INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 6012 RUEHBY/AMEMBASSY CANBERRA PRIORITY 2013 RUEHUL/AMEMBASSY SEOUL PRIORITY 2100 RUEHFK/AMCONSUL FUKUOKA PRIORITY 0106 RUEHNH/AMCONSUL NAHA PRIORITY 2577 RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 3601 RUEHKSO/AMCONSUL SAPPORO PRIORITY 1068 RHMFISS/DISA WASHINGTON DC PRIORITY RHEHAAA/NSC WASHDC PRIORITY RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEHIN/AIT TAIPEI PRIORITY 6332

C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 000967

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SUBJECT: PM ABE TAKES BACK FIRST OF "FAILED" POSTAL REBELS

Classified By: AMBASSADOR J. THOMAS SCHIEFFER. REASONS 1.4 (B),(D)

- 11. (C) Summary. Prime Minister Abe's abrupt decision to allow postal rebel Seiichi Eto to rejoin the LDP for the purpose of running in the July Upper House election has the potential to further weaken his public support, reopen divisions within the party, and strain relations with ruling coalition partner Komeito. LDP supporters fear Eto's readmission may further dim the party's prospects among undecided voters, who were highly critical of Abe's October 2006 decision to readmit 11 postal rebels. Unlike that first group of lawmakers, Eto failed in his bid to gain reelection in 2005. He has, however, submitted the same written pledge to back postal privatization. His readmission may open the door for 16 other former LDP members defeated in 2005. End Summary.
- 12. (C) Postal rebel Seiichi Eto's February 27 request for readmission to the Liberal Democratic Party (LDP) has re-ignited debate within the party on Prime Minister Shinzo Abe's political judgment, according to press reports and Embassy contacts. Abe's decision to readmit 11 postal rebels in October 2006 is generally cited as the direct cause of his sharp decline in popularity over the past several months. Eto's readmission will likely reinforce the impression that Abe has turned his back on Koizumi's reform agenda, rekindling discord within the party and among the electorate. Abe is said to have considered waiting to readmit Eto until after the July House of Councilors election, but reportedly changed his mind in order to resolve the issue quickly.
- 13. (C) Using much the same rhetoric as he did in October, Abe said he wanted Eto back because they share the same political views and because Eto is willing to work with the LDP "to build a beautiful Japan." Abe hopes that Eto will be a strong ally in his efforts to revise the constitution, according to an Embassy media contact. Abe and Eto were first elected in 1993, and have worked together on history issues, social security reform, and abductions. Abe may also feel beholden to Eto for once being the "savior of the LDP," according to an Embassy contact at LDP headquarters. Eto is credited with throwing his Oita electoral district to his rival, Tomiichi Murayama, in 1998, thereby preserving the LDP's coalition with the Socialist Party and keeping them in power.
- 14. (C) While Secretary General Hidenao Nakagawa has not

spoken out publicly against the decision, the media have reported his strong opposition. Other LDP members have been more vocal in registering their disagreement. Lower House member Takeshi Noda was quoted in a press report on February 28 as saying that the party needed to have clearer standards for reinstating and endorsing former members. LDP heavyweights Taku Yamasaki and Koichi Kato spoke out to reporters on the same day, accusing Eto of receiving special treatment because of his personal friendship with the Prime Minister. That news report quoted an unnamed member of Yamasaki's Asia Policy and Security Vision Study Group saying that LDP members "may look obedient on the surface, but they are rebellious inside."

- ¶5. (C) LDP Upper House policy chief Yoichi Masuzoe was also blunt in his criticism of Abe's decision, saying he made a bad decision that would impact adversely on the July election. He warned that Abe might find it necessary to reshuffle his cabinet or call for dual elections, in order to remedy the situation. Masuzoe was a strong supporter of the October decision to readmit the first 11 postal rebels. A senior staffer at LDP headquarters told the Embassy there was strong concern at the working levels that Abe's decision was "too arbitrary."
- 16. (C) Junior coalition partner Komeito also has reasons to be concerned about the decision to readmit Eto before the elections. The ruling coalition's election strategy for Oita called for both parties to campaign for the LDP's candidate in the electoral district vote, and Komeito's candidates in the proportional list race, according to Soka Gakkai and LDP contacts. As part of the deal for his readmission, Eto's letter is said to have promised that he would establish his campaign headquarters outside of his home prefecture and not

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campaign there as a proportional candidate. This will make it difficult for Eto to gain sufficient votes, forcing the LDP to use some of its organized group votes on his behalf, according to an LDP contact. A Soka Gakkai contact criticized Abe for making his decision unilaterally, but did not expect any long-term damage to the ruling coalition.

- 17. (C) Eto, a former Senior Vice Minister of Health, Labor and Welfare, had been elected four times to the Lower House from his native Oita Prefecture before being expelled from the party in July 2005 for opposing Prime Minister Junichiro Koizumi's postal privatization package. He subsequently lost his bid for reelection in the September 2005 general election. In his letter seeking reinstatement, Eto promised to support postal privatization, a condition imposed on the first batch of postal rebels to be readmitted to the ruling party in October 2006. His request has been forwarded to the LDP Ethics Committee for consideration, but Abe has already directed the party to approve Eto's readmission, according to an Embassy contact. The Ethics Committee is upset over Abe's "order" to reinstate Eto, but will not oppose the decision. A separate request to be endorsed as a proportional list candidate in the July Upper House election will be forwarded to the LDP's Election Strategy Headquarters for approval. Eto is likely to be reinstated within the next few weeks.
- 18. (SBU) According to at least one press report, Eto applied to rejoin the LDP last year. Secretary General Hidenao Nakagawa denied his request, even though the party is having difficulty finding sufficient candidates. Eto's request is the first for the group of 17 postal rebels who failed to win reelection in 2005, although several others, including Eita Yashiro, are said to be interested in running in the July Upper House race. Yashiro has asked the party to endorse him as a candidate in the Yamanashi electoral district. The LDP is mulling fielding another failed postal rebel, Takao Fujii, as a candidate in Gifu Prefecture, where two seats are up for grabs, but risks splitting the vote with Tsuyako Ono, whom the party has already endorsed.

¶9. (C) Comment. Abe's decision to bring back Eto appears to have been made for largely personal reasons, and is unlikely to presage a wholesale return of the other "failed" postal rebels at this time. Individual members, such as Yashiro and Fujii, will probably be considered on an individual basis, depending on their ability to add value in the July Upper House race. Public outcry so far has been noticeably more muted than in October, but Abe no longer has the luxury of last year's high support ratings to absorb any additional criticism. More troubling are the continuing signs of disunity among the party, with the growing rift between Abe and Hidenao Nakagawa becoming a regular feature in the news. SCHIEFFER